

# INTERNATIONAL Herald Tribune

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Austria	12 S.	Lebanon	62.00
Belgium	20 B.F.	Luxembourg	20 L.F.
Denmark	2.50 D.K.	Moscow	2.50 D.R.
France	2.50 F.	Netherlands	1.50 F.
Germany	2.50 G.	Nigeria	60 N.
Greece	10 G.	Norway	10 N.
India	10 I.	Portugal	10 P.
Italy	400 L.	Spain	40 S.
Japan	100 Y.	Sweden	2.50 S.F.
Korea	10 K.	Switzerland	1.70 S.F.
		Turkey	1.00 T.
		U.S. Military (Eur.)	10.00
		Yugoslavia	10 Y.

Established 1887

## In Nonviolent Coup

### Thailand Regime Is Ousted By Its Military Backers

By Henry Kamm

BANGKOK, Oct. 20 (NYT).—Thailand's military junta, in a coup that met no resistance, today deposed the civilian government and installed a new military regime.

Defense Minister Sa-Ngud Chaloray, designated as head of what is called the Revolutionary party, in a television address said the group would aim for general elections next year. The 19-year gradual approach to the establishment of democracy advocated by the deposed premier, Thanin Kraivichien, was longer than necessary, Mr. Sa-Ngud said.

Mr. Sa-Ngud retired last year from his post as admiral and commander of the navy. In his announcement throughout the night, the new junta described itself as being composed of military and civilian members.

Mr. Sa-Ngud was flanked by the supreme commander, Gen. Kiangsak Chamnanand, and the chiefs of the military branches of service and police as he addressed this nation of 43 million.

For the first time in Thailand's history of frequent military coups, the deposed civilian government was believed by the military leadership and many sectors of the population to be too conservative rather than more liberal than the military establishment. All of Thailand's elite, civilian or military, would be considered conservative in Western terms.

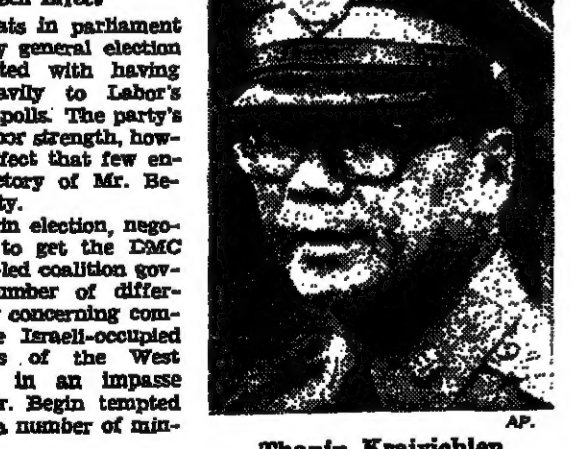
Mr. Thanin, a former Supreme Court justice, not only alienated the military—who had put him in power—by ignoring their wishes, but also alienated all political life, based on labor unions, put the press under strict censorship and installed a stern regime on university campuses. The universities are the principal centers of liberal and leftist opposition.

Mr. Sa-Ngud's pronouncements today implied that his Revolutionary party would soon name a government but they stopped short of making a full commitment and imposing a deadline for such a move. It is assumed that the junta will name a civilian leadership.

Coups over foreign—particularly American—opposition to military rule and military intervention against a civilian government had been a principal concern of the military in the days preceding the coup.

In one of his first acts, Mr. Sa-Ngud removed press censorship. He warned editors, however, that the junta would not tolerate untruthful reporting or writing that tended to promote disunity or advocate political ideas detrimental to the country, its Buddhist faith or the monarchy.

This sprawling and often lawless government, (Continued on Page 2, Col. 6)



Thanin Kraivichien

## Concorde Passes Noise Test On 1st Takeoff From N.Y.

By Lee Lescaze

NEW YORK, Oct. 20 (WP).—The British-French Concorde made its first takeoff from Kennedy Airport today without violating the permitted noise levels in adjacent communities.

The supersonic jet—banned from the airport for 19 months because of opposition from area residents—did not trigger the Port Authority of New York and New Jersey's monitoring devices today, according to a Port Authority spokesman.

The device was set to register 105 perceived noise decibels. Takeoffs and landings at Kennedy must not exceed 112 perceived decibels.

The Concorde, piloted by Brian Walpole of British Airways, took off from runway 31-L toward Howard Beach, a suburb where some of its staunchest foes live.

Quick Bank

At an altitude of 100 feet, Mr. Walpole began a 25-degree left turn to bring the plane over Jamaica Bay and keep as much noise as possible over the water rather than the surrounding communities. This quick left turn was announced in advance by Concorde officials as a standard procedure on all occasions when the plane uses runway 31-L.

A Federal Aviation Administration official said the plane was used for a test flight.



West German Chancellor Helmut Schmidt congratulates Lufthansa stewardess Gaby Dillman after she was awarded Cross of Merit yesterday in Bonn. Miss Dillman was wounded during the attack that freed the 86 hostages.

## Nation Quiet After Crackdown

### Vorster Dismisses U.S. Plans To Review S. African Policy

By David B. Ottaway

JOHANNESBURG, Oct. 20 (WP).—Prime Minister John Vorster tonight dismissed the U.S. government's announced review of its policy toward the United States, and intends to crush black and white dissent whatever the cost to its image abroad.

Meanwhile, South Africa was by and large surprisingly calm today, in the wake of the sharp measures ever taken against dissent.

There were cries of outrage from both the Afrikaans and English-language newspapers over the banning of the black daily, the World, but the only report of any violence as of early evening came from East London, where riot police broke up a predominantly white demonstration protesting the crackdown.

Main Question

The main question on the mind of many South Africans, black and white, seemed to be why the government had decided to take such harsh measures at this particular time. The ruling, Afrikaner-dominated National party is in the midst of an election campaign, but all indications so far are that it is heading for an overwhelming victory at the polls Nov. 20.

As if to reassure the outside world that change is not a dead letter in South Africa, the government late tonight announced it was going ahead with its new plan to establish an elected community council with wider local powers.

Safety and Security

Commenting on the hue and cry abroad over the crackdown on the black opposition, Mr. Vorster said that his country was not governed from overseas and that "the safety and security of South Africa" comes before everything else.

## Opposition Pledges Cooperation

### Schmidt Urges World Fight To Halt Wave of Terrorism

By Paul Holmann

BONN, Oct. 20 (NYT).—Chancellor Helmut Schmidt, in an address to parliament today, urged democratic West Germans and governments throughout the world to join forces to halt terrorism.

The conservative opposition pledged to cooperate with Mr. Schmidt's administration.

The display of solidarity coincided with the start of what officials termed the biggest manhunt in West Germany's 33-year history to track down suspects of recent terrorist crimes.

The police named 16 persons—10 of them young women—as suspects in the murder of Hanns-Martin Schleyer, the industrial leader whose body was found yesterday in the trunk of a car in Mulhouse, France, and in related crimes, including the hijacking of a Lufthansa airliner last week and the murders of West German's chief prosecutor, Siegfried

Federations had been held since his abduction on Sept. 5. As Mr. Schleyer was eulogized by speakers for all parties in parliament today, the industrialist also was vilified by scattered extremist groups. In Bielefeld, anonymous posters appeared describing Mr. Schleyer as a "war criminal." During World War II, Mr. Schleyer, who had joined the Nazi party and the SS as a student, served in the German military administration in Prague.

Chancellor Schmidt said that the government had made every effort to save Mr. Schleyer's life while refusing to give in to the terrorists. This, Mr. Schmidt said, drew the authorities "into the area of guilt and neglect," apparently meaning that more might have been done to rescue him.

The government, throughout the six weeks of Mr. Schleyer's captivity, refused the terrorists' demand that 11 of their imprisoned comrades be released.

In today's address, the Chancellor also dealt with the hijacking and the Mogadishu raid. He used biblical language to thank

Somalia for permitting West German commandos to operate on its soil: "Our black brother was the Good Samaritan who rescued whites from distress in the hands of the brigands."

Mr. Schmidt said, amid the applause from deputies of all parties, that the Somali attitude would "influence our future relations." He also thanked King Khalid and Crown Prince Fahd of Saudi Arabia and the defense minister of Dubai for their help.

Mr. Schmidt noted that the chief of the Palestine Liberation Organization (Continued on Page 2, Col. 3)



MANHUNT—West German police check cars near Bremen looking for terrorist killers.

## As Schleyer's Killers Are Hunted

### Violence Continuing in Europe

PARIS, Oct. 20 (AP).—As sporadic violence continued across Europe, French security forces launched an intensive manhunt today for the killers of West German industrialist Hanns-Martin Schleyer.

French police, reinforced by 500 anti-terrorist specialists, combed the Alsace region of eastern France near the city of Mulhouse, where Mr. Schleyer's body was found yesterday evening stuffed in the trunk of a German-registered car. He had killed by three bullets in the head. Earlier reports said his throat had been cut.

In Mulhouse, French medical experts carried out an autopsy on the body of Mr. Schleyer, 62, who was kidnapped in Cologne Sept. 5 by members of the Red Army Faction of West German terrorists headed by the late Andreas Baader.

The autopsy carried out by three French doctors showed that Mr. Schleyer was killed about

36 hours before his body was found. This would place the time of his death shortly after that of Baader and two of his followers in maximum security jail cells near Stuttgart. They were found dead Tuesday morning.

Extreme leftist groups in Europe, denying official claims that Baader, Jean-Carl Raspe and Gudrun Ensslin committed suicide, have launched a series of demonstrations and firebombings against West German tour buses, auto dealers and government offices.

In France, firebomb attacks were reported in Paris, Toulouse, Fort-Macry, Limoges and Nancy.

An Marseille, an anonymous caller identifying himself as a spokesman for the Red Army Faction, said that attacks were planned against German commercial and private property all over Europe.

No similar threats were reported elsewhere and there was no way to determine if the telephone call reflected genuine aims of a terrorist organization or was a hoax.

In Italy, a fierce gun battle broke out around Rome University today as thousands of leftist students traded bullets with police. At least seven persons, including four policemen, were wounded, United Press International reported.

Police said they had arrested 35 persons for possession of arms and Molotov cocktails.

The fighting broke out when police barred the students from marching on the West German Embassy to protest the "cold-blooded murder" of three terrorists in a German prison.

In the Netherlands, sympathizers of the Baader group attacked West German consulates in Amsterdam and Maastricht. Other apparently related incidents of violence were reported in Austria and Greece.

Working Together

French and West German authorities were working together to find the kidnapers and assassins of Mr. Schleyer, who was an executive of the Daimler-Benz automotive combine and president of the West German employers' and industrial association.

To facilitate the manhunt, West German authorities received permission to go into the Alsace region of France, and post wanted signs for seven women and nine men who they say are known terrorists possibly linked to the Schleyer case.

There were fears of still more bloodshed following a warning

## Bonn Studying Reparations for Guernica Raid

MADRID, Oct. 20 (Reuters).

The Bonn government is considering making "symbolic reparations" for the bombing of the Basque town of Guernica by Nazi planes during Spain's Civil War, a West German Embassy spokesman said today.

He said the embassy had been in contact with a committee set up in Guernica this year to mark the 40th anniversary of the day in April, 1937, when bombers from Hitler's Condor Legion pulverized the town.

"But first we want to make absolutely clear what happened on that day and who was responsible," he said. "The German government has agreed to open its archives to assist the investigation."

The spokesman said he could not predict the form that the reparations might take.



South African police arresting white university students at Johannesburg post office. They were trying to send telegram to government protesting action against blacks.



## In Report That 11 Had Left Jail

## Ruse by Bonn Spared Lives Of Hijack Victims, One Says

By Henry Tanner

FRANKFURT, Oct. 20 (NYT).—A ruse spared the lives of the hostages rescued by West German commandos Tuesday from a hijacked plane in Somalia, an American woman said here yesterday.

Sobbing frequently through her account of more than four days of fear aboard the Lufthansa aircraft, Christiane Santiago of Santee, Calif., said that the hijackers had been tricked into ignoring a massacre deadline by a false assurance that 11 failed West German terrorists whose release they had demanded were free and on their way to Somalia.

Hans-Juergen Wischniewski, the West German official who had conducted the negotiations with the hijackers from the control tower of the Somali airport at Mogadishu, declined at a news conference in Bonn yesterday to deny this account, which was the first explanation of why the hijackers agreed to extend their Monday deadline long enough for the commandos to attack.

According to Mrs. Santiago, the hijackers were prepared to blow up the plane. The passengers' hands were tied behind them, their seat belts were pulled tight and their tax-free liquor was poured into the aisle.

"We are ready to blow up. I'm going to do you a favor. I'll throw out the passports so they will know you are free. I'll give them 30 minutes to move all other planes away from us," Mrs. Santiago quoted the leader of the hijackers as saying.

## Seven-Hour Grace

Then the message arrived that the West German terrorists had been freed from jail, she said. The leader of the hijackers ordered the passengers untied and told them, "It is seven hours flying time from Germany. I give them seven hours."

Before the seven hours were up,

the West German commandos stormed the plane.

Mrs. Santiago, 44, was sitting in the last row at the back of the plane with her son, Leo, in the window seat next to her.

She first realized that the plane was being stormed by the rescuers when the rear door was flung open, she said. "There was a man there. He had his face blackened. And he shouted in German, 'Get down,' and then the shooting started. We went under the seats. And then they shouted, 'Get out,' and we went out, down the ladder. It was fantastic."

She said she thought the hijackers had received another message just before the assault because for the first time since the start of the hijacking five days earlier their leader had called his three companions to the front of the plane, where he was shouting and gesticulating.

But Mr. Wischniewski, at the news conference in Bonn, said that the second man among the hijackers was in the rear of the plane, where he had always been, and fired at the rescuers even after he was hit and lying on the floor.

Mrs. Santiago identified all four hijackers as Palestinians, saying they all spoke the same language fluently. Other reports said two of the hijackers were Arabs and two were Germans.

Mrs. Santiago's voice broke several times when she recalled particularly bad moments, such as the killing of the plane's pilot, Juergen Schumann.

She said that after the landing in the sand next to the runway in Aden, the captain went out with a flashlight to check the plane. "I saw him going around the plane. Later the chief of the hijackers told us, 'You know what your captain did; he ran away. But they [the southern Yemenis] caught him and I told them to



Hans-Juergen Wischniewski (left), West German Secretary of State, who conducted Mogadishu raid, with the West German Minister of Interior Werner Maibhofer in Bonn.

give him back or I will blow up the plane."

She said Capt. Schumann then appeared at the back door and was helped into the plane by a stewardess.

"He knew what would happen to him. He ran forward through the aisle, then got on his knees and begged," she said, weeping uncontrollably for a moment. Then she added, "He shot him in cold blood."

She said the leader of the hijackers was far more cruel to the passengers than the three others and it was the leader who murdered Capt. Schumann.

Mrs. Santiago's husband, Antonio, is from Puerto Rico. He works in Spain for International Telephone and Telegraph Corp. He sat next to her as she talked to a small group of newsmen here.

Mrs. Santiago described the leader of the hijackers as an emotional, tantrum-throwing sadist. She said he ordered passengers to surrender their passports and all other identification and threatened to execute those who were found to have any papers on them. Their luggage was carefully searched.

Mrs. Santiago said, "He called out the names of three girls who

were Jewish. He said they would be executed in the morning. Everyone was convinced that the three were doomed. Then in the morning the hijacker said he would let them live just to show that we are freedom fighters and not terrorists."

"They found a Jewish sign on the watch of the co-pilot and the leader broke the watch with his thumb and made us swear never to buy anything Jewish again," she said. The hijacker lectured the passengers for hours every day, in English, on Palestine and accused the Jews of killing mothers and children, Mrs. Santiago said.

## Schleyer Son Says Officials Sabotaged Ransom Payment

BONN, Oct. 20 (UPI).—The eldest son of slain industrialist Hanns-Martin Schleyer charged today that the West German government deliberately sabotaged payment of a \$15-million ransom.

Hanns-Eberhard Schleyer, 35, said that the government leaked details on how he was going to hand over the money. Instructions for paying the ransom came in telephone messages last Friday, he said. "The kidnappers told me to be at the Intercontinental Hotel in Frankfurt at noon on Saturday," he said. "The money was to be split into U.S. dollars, German marks, Swiss francs and Dutch guilders. One of the gang was to come up to me and say, 'Let us set your father free.' I had to reply, 'Let us rescue my father.'"

Mr. Schleyer's son he told the terrorists that he was ready to go through with the plan and then contacted the government to get its opinion. "They stalled, warning me that I would be going on a long trip, going from place to place and getting new instructions at each stop," he said.

Media Alerted  
Arriving in Frankfurt on Saturday, he found more than 300 reporters, photographers and television cameramen there, alerted by a leak on the arrangements carried by the West German news agency.

The ultimatum on his father's life expired at 9 a.m. Sunday. The ultimatum on his father's life expired at 9 a.m. Sunday. The ultimatum on his father's life expired at 9 a.m. Sunday.

He had with him three black suitcases packed with the money. Asked who he believed responsible for the leak, the son said, "It was probably a deliberate leak by the federal government. Their whole concept was to gain time."

The idea behind this, he said, was that time could be gained by showing readiness to meet the terrorists' demands but then having something upset an arrangement with them. At 5:30 p.m. Saturday, the son said, he received a phone call and a man asked what had happened. "I told him there had somehow been a leak," he said.

The ultimatum on his father's life expired at 9 a.m. Sunday. There was no word from the kidnappers until Wednesday when police were told to find the corpse in a car in Mulhouse, France, near the German border.



Hanns-Eberhard Schleyer

## Violent Acts Continuing In Europe

(Continued from Page 1)  
last Saturday by a Frankfurt post office employee.

The buyer was a 22 to 25-year-old German man who answered a newspaper want ad and paid 2,900 marks (\$1,260) for the green Audi sedan. He gave a false name and fake address in Heidelberg for the bill of sale, police said.

## Pilot Chief to UN

HONG KONG, Oct. 20 (AP).—Derry Pearce, president of the International Federation of Air Lines Pilots Associations, left for New York today to discuss hijacking and aerial terrorism with UN Secretary-General Kurt Waldheim.

Mr. Pearce, who demanded that the United Nations convene an urgent session on air terrorism, was invited by Mr. Waldheim to discuss his demand.

The federation has warned that unless the United Nations convenes the session immediately, its 5,800 pilot-members from 64 countries will halt all operations for 48 hours beginning Tuesday.

The demand followed the murder of West German pilot Juergen Schumann by the hijackers of a Lufthansa airliner Monday.

## Hijacker 'Deranged'

MOGADISHU, Somalia, Oct. 20 (UPI).—A "mentally deranged" young woman, the sole surviving hijacker of a Lufthansa jet, was under guard in a Somali hospital today with what doctors called minor injuries.

Somali officials said that the woman, who has not yet been identified, has been incoherent since West German commandos stormed the Boeing 737 airliner Tuesday and freed 86 hostages.

Yadin Plans To Join Begin  
(Continued from Page 1)  
also fell impelled to join the coalition because it was heading for oblivion as an opposition party.

Under terms of the agreement between Likud and the DMC, Mr. Yadin is expected to have the post of deputy prime minister and to serve as acting prime minister when Mr. Begin is incapacitated or abroad.

This has assumed growing importance in Israel in recent weeks because of Mr. Begin's ill health, which began with a severe heart attack in the spring and which has resulted in two subsequent hospitalizations stemming from the original seizure.

The post of acting prime minister, however, does not connote succession. Should Mr. Begin be unable to serve out his term a scramble for his post in Likud would result.

## Air Defense Exercise

TEL AVIV, Oct. 20 (UPI).—Israel shut its airspace for more than seven hours today in order to carry out one of its biggest civil defense exercises that included combat jet interception of a simulated aerial attack.

## At Belgrade Conference

## U.S. Rejects Soviet Stand on Right

BELGRADE, Oct. 20 (AP).—The United States today replied bluntly to Soviet attempts to bludgeon the United States into a debate on human-rights violations, saying that the pretext used by the Russians could be used to silence criticism of South Africa's racist policies.

The reply was made by Arthur Goldberg, the chief U.S. delegate to the Belgrade conference, to charges by the Soviet Union, Czechoslovakia, East Germany and Bulgaria that the West was illegally interfering in the internal affairs of other countries.

"All states here are raising their voices at the United Nations against the application of infamous apartheid laws in South Africa, by means of arrest, official harassment and trials. I heartily approve of these protests at the UN, based upon the UN Charter, and I am confident that all delegates join with me in what I have just said," Mr. Goldberg said.

"This example vividly illustrates that domestic laws must, under given circumstances and established principles of international law, give appropriate recognition to solemn international commitments," he added.

Mr. Goldberg called the stance taken by the Soviet Union and its allies "a completely unwarranted interpretation" of the Helsinki accords against armed and military interference.

He also referred to the Soviet-led invasion of Czechoslovakia in 1968 to prevent liberalization in that country, saying that the Helsinki accords were "designed to forestall such actions in the future so that we shall never again see a large country impose its will by force upon a small country."

Mr. Goldberg added, "To make general speeches about human rights and avoid specific references to the Prague trial [of human rights activists] would make our deliberations here dealing with human rights provisions of the final act [of the Helsinki pact] a mockery."

The speech was one of the most open attacks on individual countries delivered so far in the three-week-old conference. Mr. Goldberg cited the countries by name, except in the case of his reference to the invasion of Czechoslovakia. He spoke of that as "armed intervention across international borders" a few years before the convening of the Helsinki

conference in 1975. In the Soviet reply to Mr. Goldberg, Yuli Vorontsov, the chief Soviet delegate, said that the speech was an "impassionate, emotional speech of interference in fact an American declaration of interference."

Delegates from Czechoslovakia, Bulgaria and East Germany protested.

## A Convicted Czech Dissident Says Charter 77 Offers Hope

VIENNA, Oct. 20 (UPI).—Czechoslovak playwright Václav Havel, who was sentenced on subversion charges earlier this week, said today he believes the Charter 77 movement will improve conditions in Czechoslovakia.

"I am optimistic," Mr. Havel said from Prague in a telephone interview. "The Charter 77 human-rights campaign will in the long run bring an improvement for our people."

Mr. Havel, former spokesman of the Charter 77 movement, was given a suspended 14-month term Tuesday in the Prague trial of four prominent dissidents accused of smuggling manuscripts abroad for publication.

"There were many shortcomings in this trial," he said. "The biggest one was that it was not open to the public." He denied reports that said he had predicted that more political trials would be staged in Prague soon.

"No indication"

"It is true that many dissidents were recently questioned by police, but there is no indication that new trials may be held soon," he said.

Mr. Havel said that the sentences passed in the Prague trial were lighter than expected. "They were surprisingly mild, but this does not change the fact that the trial was completely unjustified," he said.

Scathing bkgk  
The sentences were milder than those in the trial last month in which two supporters of Charter 77, Vladimir Lastuvka and Alex Machacek, were given 3 1/2 years each on lesser subversion charges.

In the Prague trial, theater director Ota Ornest was jailed for 3 1/2 years, author Jiri Lederer for three years while theater director Frantisek Havrlik was given a suspended 17-month term.

Rudolf Slansky, the son of former Communist party secretary general Rudolf Slansky who

was executed in 1952, said he believed the mild sentences were caused by the heavy resistance against the show trial in West.

"I am certain the sentences were influenced by the race in the West and by the Belgrade conference," Mr. Slansky said.

## French Reds Critical

PARIS, Oct. 19 (Reuters). The French Communist party daily L'Humanite has censored the trial in Prague.

In an editorial entitled "Will Not Accept This," the paper said: "Let no one count on to condone, even by our side, what appears clearly to us as a denial of justice."

## Tarradellas In Spain for Catalan Rule

MADRID, Oct. 20 (AP).—Last of the Franco political exiles, Catalan leader Josep Tarradellas, arrived here today on his way to Catalonia to restore its status as an autonomous region.

Eight and smiling, the 78-year-old Mr. Tarradellas, who spent 11 years in a flight to France, where he had been exiled for 38 years, Mr. Tarradellas first visited post-war Spain briefly in June but he not to go to Barcelona, the capital of Catalonia.

A crowd of Catalan political leaders, government officials, press crowded around Mr. Tarradellas, who will spend days here conferring with Juan Carlos and Premier Adolfo Suarez before going to Catalonia, where more than a million Catalans are expected to turn out Sunday to welcome him.

Appointed president of Generalitat (the Catalan regional government) by the King, Mr. Tarradellas planned to work immediately on restoring the autonomy taken away by Franco after winning civil war in 1939.

Before departing from Paris, Mr. Tarradellas gave a note of caution: "If Spain is not to go forward, the General won't be worth anything," he reported.

Backed by the King, Mr. Tarradellas is a central government deal autonomy for the 5 million Catalans Sept. 29 as part of the archbishop's plan to decentralize the old area.

The home rule for the region of Spain's richest and most productive, was provisional, ever, dependent on ratification by Spain's first freely elected parliament in 41 years.

## Vorster Dismisses U.S. Plans To Review S. African Policy

(Continued from Page 1)  
powers in the huge African township of Soweto outside this city. A spokesman said elections would be held in February.

One of the whites "banned" was the editor of the East London Daily Dispatch, Donald Woods, who was stopped last yesterday at the airport here from leaving for Washington where he was to attend a conference of the African American Institute. Under the banning order, Mr. Woods is restricted to his home town, may not work, is forbidden to speak to more than one person at a time and cannot be quoted.

As the outcry abroad grew, several South African top officials warned of the possibility of even harsher measures in the future if those taken yesterday failed to achieve their objective of stemming the simmering unrest in the black community.

Gen. H. J. van den Burg, head of the South African Bureau of State Security (BOSS), said that these steps might include "physical measures such as arrests and restrictions of movement. The chaos of Soweto and other black areas can no longer be tolerated because it is to the detriment of South Africa and the peace-loving blacks."

A similar warning was made yesterday by the minister of the interior and information, Connie Mulder, who told foreign correspondents at a luncheon that other newspapers might be banned if law and order and the security of the state were still threatened.

He said the government regretted having to take stiff measures but that they had been "forced upon us" and "we had no option." He justified them by saying that it was necessary to protect the "large black majority" that had been under pressure from the organizations banned by the government.

He hinted, however, that the ban on the World might be lifted after a short period. Activity continued at the black newspaper

most as usual today with reporters being sent out on assignments and editors at their desks.

While the government continued to defend its action, were indications in various circles of the South African of strong disagreement with one of the most interesting from academics at Potchefstroom University, a center of Afrikaner thought.

A professor was quoted saying the government action confirmed "my fears that Africa is becoming a police state and the National party come to a system of state terrorism."

Another voiced that such "smothering of voice of the nonextremist" was a step.

One of the English-language newspapers, the Star of Johannesburg, reported that a number of people had telephoned newspaper in the past 24 hours to express their "feelings of rage, frustration and helplessness" over the banning detentions.

Precisely how many more leaders were taken into custody was not known, but the Daily Mail, which is also a danger of being banned, published a list of 42.

## Ford Warehouse Burns in Cologne

COLOGNE, Oct. 20 (AP).—Flames swept through the 3 parts warehouse at the Ger Ford plant here today, causing at least 100 million marks (million) in damage, the mobile company reported.

Three firemen were over by smoke while fighting the blaze which was still burning out control six hours after the fire was given, a Ford spokesman said.

The cause of fire was not immediately determined. Police said the possibility of arson under investigation, but there no indication that the fire any connection to German terrorist incidents this week.

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# U.S., Seoul Fail to Find Way Question Park in Korea

By Charles R. Babcock

U.S. Oct. 20 (UPI).—With a statement that may seriously jeopardize U.S. relations with the two countries, the U.S. and South Korea failed today to find a mutually agreeable way to question accused assassin Lee Harvey Oswald in Seoul.

A spokesman said that U.S. negotiators have been unable to reach an agreement with the South Korean government to allow U.S. officials to question Oswald in Seoul.

The U.S. negotiators have been unable to reach an agreement with the South Korean government to allow U.S. officials to question Oswald in Seoul.

# Tarrade In Spain Catalan

MAJ. TARRADE, a Catalan separatist leader, was arrested in Spain today.

# KCIA Agent Says Park Allegedly Tied to Ford Aide

WASHINGTON, Oct. 20 (AP).—A former South Korean intelligence agent testified today that he was told in 1975 that Korean President Park Chung-hee had a high official of the CIA and "an assistant to the president."

# U.S. Aid to Seoul Aid to Conflict with Rights Goal

WASHINGTON, Oct. 20 (UPI).—Despite its policy against human rights violations, the U.S. has given \$13 billion in military and economic aid to South Korea, which has been accused of human rights violations.

# Senate in Italy Sties Reform of Cret Service

ROME, Oct. 20 (NYT).—The Senate today approved a bill to reform the Italian secret service.

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Mrs. Carol Berman, one of the leaders of the anti-Concorde campaign with Queens Borough President Donald Manes at press conference at Kennedy Airport Wednesday.

# Concorde Passes N.Y. Takeoff Test

(Continued from Page 1)

Howard Beach after it gets final approval to operate at Kennedy. The Concorde, which cruises at 1,550 miles an hour, arrived at Kennedy yesterday for a series of proving flights.

# U.S. Total of Unwed Couples Put At 1.9 Million—83% Rise Over '60s

WASHINGTON, Oct. 20 (UPI).—The number of unmarried persons living together in the United States has almost doubled to nearly 2 million during the 1970s and the country's divorce rate still is the highest in the world.

# 13 Are Arrested In Alleged Ring of Boston Arsonists

BOSTON, Oct. 20 (AP).—Thirteen persons secretly indicted in connection with an alleged multimillion-dollar arson-for-hire ring were arrested in a series of pre-dawn raids in the Boston area this week.

# Senate Supports Retirement At 70 for Most U.S. Workers

WASHINGTON, Oct. 20 (UPI).—The Senate approved legislation yesterday to raise the age at which most U.S. citizens can be forced to retire from 65 to 70.

# Sakharov Asks Western Help For 2 Dissidents

MOSCOW, Oct. 20 (Reuters).—Soviet dissident Andrei Sakharov has appealed to world psychiatrists to help two colleagues active in criticizing alleged Soviet abuse of psychiatry for political purposes.

# U.S. Drug Testees Being Examined

SAN FRANCISCO, Oct. 20 (NYT).—Two years ago, when Congress learned that hundreds of Americans were given the hallucinogenic drug LSD under programs set up by the Army in the 1950s and 1960s, the surgeon general of the Army promised to do follow-up tests on army personnel who had been administered the drug.

# Tindemans and Vance Confer in Washington

WASHINGTON, Oct. 20 (Reuters).—Belgian Premier Leo Tindemans today discussed European Economic Community affairs and bilateral topics with Secretary of State Cyrus Vance.

# Demands \$3 Million, Prisoner's Release Jet Hijacker Holding 15 in Atlanta

ATLANTA, Oct. 20 (AP).—A hijacker who demanded \$3 million and the release of his male lover from an Atlanta jail held more than a dozen hostages today in a Frontier Airlines jet that he commandeered in Nebraska and forced to fly here.

# Pan Am Planning Budget Fares on Its Pacific Runs

WASHINGTON, Oct. 20 (UPI).—Pan American World Airways said today that it plans to halve transpacific fares next year by introducing the sort of budget fares now offered between New York and London.

# House Approves Fund to Continue Breeder Reactor

WASHINGTON, Oct. 20 (AP).—The House approved an appropriation of \$80 million yesterday to keep the U.S. nuclear breeder reactor project roughly on schedule, again rebuffing President Carter, who has urged Congress to kill the program.

# Autopsy Finding Reversed on Dead N.Y. Gem Dealer

SAN JUAN, Puerto Rico, Oct. 20 (NYT).—Medical officials here reversed last night an earlier autopsy finding and said that New York diamond dealer Abraham Shafizadeh had indeed been shot four times and his body set afire in July.

# Defense of Canal Studied in Senate

WASHINGTON, Oct. 20 (AP).—A U.S. negotiator says that the right of the United States to defend the Panama Canal under the proposed canal treaties includes any move by Panama to itself to close the waterway.

# House Rejects Bill Mandating Oil Cargo

WASHINGTON, Oct. 20 (AP).—The House rejected an administration-backed bill yesterday that would have required a minimum percentage of oil imports to be carried on U.S. flag tankers.

# Anti-War Day Rally Held by Tokyo Leftists

TOKYO, Oct. 20 (AP).—More than 18,000 leftist workers and students staged a rally and marched in downtown Tokyo today on the eve of the leftists' 12th Anti-War Day.

# Beefeater Gin

Beefeater from London.  
Unquestionably the world's finest gin.

Some things you simply cannot improve upon. That is why, since 1820, Beefeater's secret recipe has remained unchanged. The same family has taken the same care in achieving the same unmistakable taste and inimitable character that makes Beefeater, unquestionably the world's finest gin.

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lighters, costume jewelry and  
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biggest and best hotels of  
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**By Horst Faas**

ALGIERS, Oct. 20 (UPI).—Yugoslav President Tito arrived here today from Lisbon for an official visit and talks with President Houari Boumedienne.

Past the much-bombed but clean Hanoi railroad yard, a train from Haiphong with a



**Wreckage of a United States B-52 bomber and other warplanes shot down over North Vietnam during war on display in Hanoi war museum with Vietnam anti-aircraft guns.**

Government officials readily acknowledge they have many problems with the economy, housing,

He was the industrial relations manager for Yacimientos Petro-  
líferos Fiscales.

The only reminder of the war in many villages is a neat military cemetery.

parent response to this criticism, Mr. Somosa lifted martial law and restored press freedom Sept.

"trying to edge out its rival [the United States] and have the area all to itself."

There were no reports of  
allies.

• MANILA, Oct. 20 (AP).—Filipino ships and planes bombed and strafed Moslem rebel strongholds on the Zamboanga Peninsula as 500 of the rebels continued today to attack military outposts and civilian communities, military sources reported.

In Manila, a Defense Department spokesman said today that reports from Algiers, where Misuari said that those who pose the Moro front war against the Philippines, and 34 soldiers last week.

"This group of conspirators against the Republic of the Philippines," the department quoting Mr. Earle, "has

"trying to edge out its rival [the United States] and have the area all to itself."

There were no reports of  
allies.

HONG KONG, Oct. 30 (UPI). —China accused the Soviet Union today of expanding its military strength in the Indian Ocean in disregard of a call by the UN to make the area a zone of peace. The People's Daily newspaper charged the Soviet Union with

"trying to edge out its rival [the United States] and have the area all to itself."

There were no reports of  
allies.

For detailed information write or call:  
**Lehndorff Vermögensverwaltung AG,**  
 Rämistrasse 5, CH-8024 Zurich, Switzerland.  
 Phone: (01) 47 26 16.

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## The Paris-New York Headstart. A daily event, beginning November 22nd.

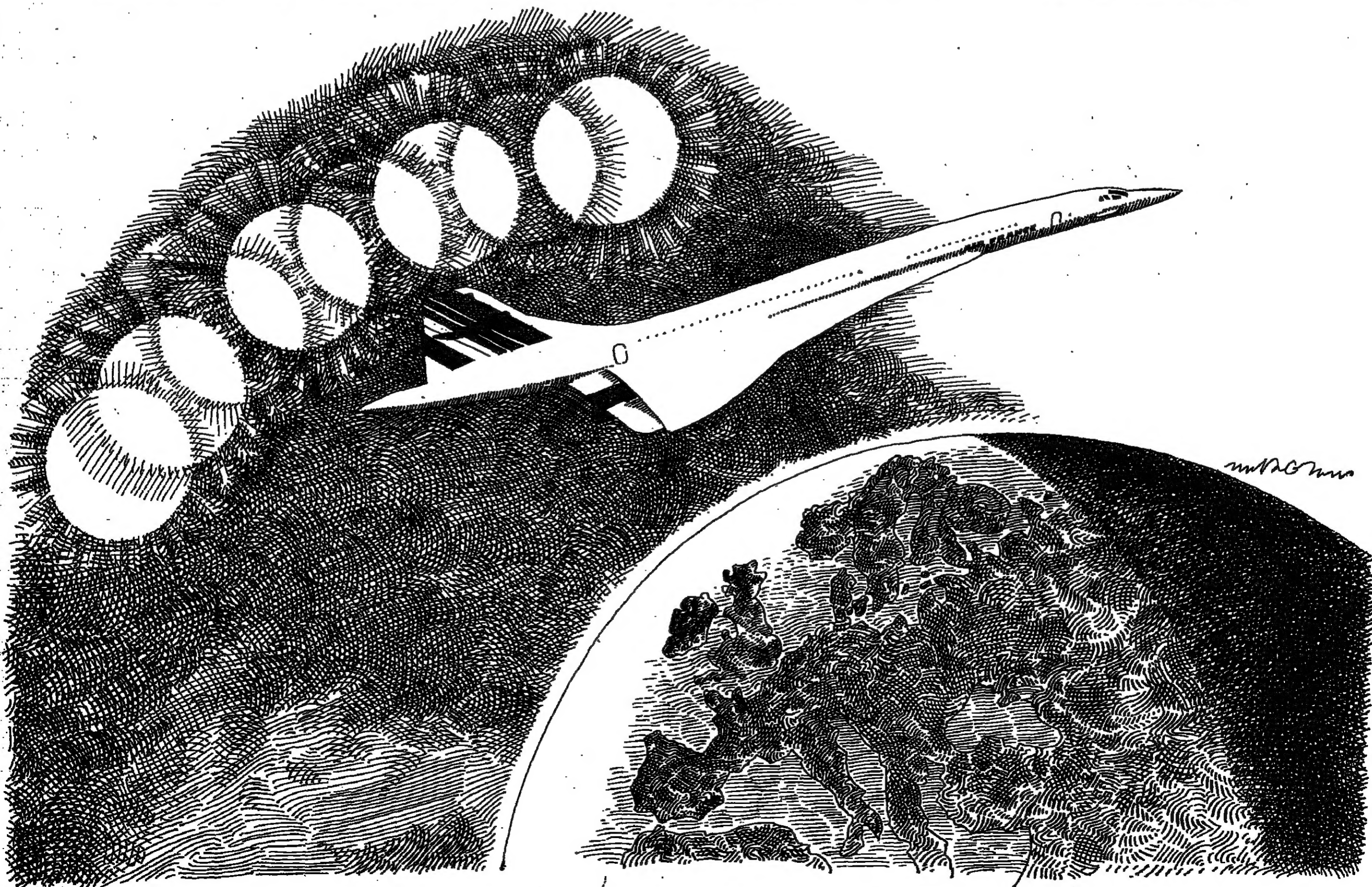
As of today, you can make your reservation for a four-hour Headstart on the rest of the world.

November 22nd marks the debut of daily supersonic service between Paris and New York. The Concorde Headstart flight leaves Roissy-Charles de Gaulle Airport at 11 a.m., touching

down at JFK Airport at 8:30 a.m. local time. You'll cross the Atlantic in a spectacular 3 1/2 hours aboard Concorde, surpassing the sun for speed. You'll arrive in New York refreshed and relaxed, four valuable hours faster than by any other flight, at the start of a full business day.

Connecting flights from all of Europe and throughout all of North America facilitate your journey. The daily Paris-New York Headstart. A precious gift from Air France to make the most of your precious time.

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## Repression in South Africa

The South African government seems determined to create precisely those conditions that will transform its largely moderate black opposition into an extremist and violent force. In a concerned, nationwide pre-dawn crackdown on Wednesday, South Africa's white rulers banned virtually every major black organization, closed the two leading black newspapers, raided the homes of black leaders and the offices of black movements and church bodies, detained more than 50 leaders and ordered official ostracism for some of their white sympathizers.

Such a response by Prime Minister John Vorster to the expression of grievances by blacks has become familiar, almost banal. But even for his insensitive regime, the latest suppression is startling. Overnight, further legal communication with the nation's blacks and among them seems to have been rendered impossible. They are virtually ordered underground.

In the short run, the repression will have the desired effect, of course. A powerful but frightened authority always finds it easier to cope with opposition by silencing its leaders rather than addressing their grievances. This is particularly true in South Africa, where the black grievances are so fundamental as to defy redress without the transformation of an entire political system. It is a system whereby 4.3 million whites—and in a sense only the Afrikaner majority among the whites—deny all political rights to more than 18 million blacks. For a while now, the regime will not have to confront the persistent, well-formulated and articulate black demands.

In time, however, if it holds to its present course, the government will have to cope with worse, with violent rhetoric and violent deeds. And it will need even more violent methods to prolong the suppression. The next wave of black leaders will not likely demonstrate the forbearance and commitment to legal procedure shown under extreme provocation by those arrested on Wednesday.

The government's latest actions betray the cynical strategy behind last month's proposal for a new constitution. It would extend limited political rights to the nation's 2.4 million persons of mixed race (coloreds) and 750,000 Indians (Asians) while denying any to the majority of blacks who do not live in the set-aside tribal homelands. Denied a voice in the evolving system, blacks had no alternative but to protest against it. Now denied the opportunity for open opposition, they will have no alternative except to pursue the challenge underground. And given the ominous warnings of government spokesmen at the moment of crackdown, dissenting whites may soon be driven to the same extreme.

The tragic irony for South Africa, and for the world, is that there may yet be time for an orderly transition to a multiracial political system. But blacks must participate in its design, as collaborators and as openly welcomed critics. To suppress them now is to suppress the last hope for peaceful change.

THE NEW YORK TIMES.

## The Horn—and No Dilemma

The world's bloodiest war has been raging for several months in the Horn of East Africa. The Russians are deeply enmeshed in the conflict, which makes it all the more remarkable, and commendable, that the United States is not.

Somalia, where this week's hijacking drama took place, is battling to wrest the Ogaden region from Ethiopia, but the consequences are much wider. The war threatens to strain relations between Africa's black and Arab governments. It may also decisively affect the influence of the Soviet Union in East Africa for many years. The highest American interest, therefore, is to be sympathetic to both sides without involvement.

Moslem Somalia, an impoverished coastal state with a population of only 3 million, was until this year the principal Soviet ally in the African Horn. The Russians wanted a toehold in the area and naval facilities at the port of Berbera. The Somalis wanted economic aid and arms with which to annex the territories inhabited by Somali peoples in neighboring Ethiopia and Kenya.

Early this year, the Ethiopian revolution took a radical turn, tempting both the Somalis and the Soviets in different ways. The Somalis, finding the Ethiopian military temporarily distracted by domestic upheavals, tried to seize the long-disputed Ogaden. The Soviets, sensing an ideological break be-

tween Ethiopia and the United States, offered their patronage instead. They hoped they might gain friends in Ethiopia without weakening their alliance with Somalia, but they have been forced over time to choose. They have chosen Ethiopia, with almost 10 times the population of Somalia.

Somalia in turn looked for help from the West and from the conservative Arab states, but the United States decided to withhold arms so long as they seemed destined for use in the Ogaden war. That remains a wise policy. Normally, there is something to be said for aid to a nation trying to relieve its dependence on the Soviet Union. But in this case the cost would be too high. American arms would contribute to the virtual dismemberment of Ethiopia and encourage other regional wars.

The Ethiopian revolution has not yet run its course and is sure to be affected by the outcome of the war. Despite its expulsion of American personnel in recent months, Ethiopia should not be counted as "lost" to American influence and nothing should be done that would prejudice future governments in Addis Ababa against the United States. The Russians have gambled their entire position in East Africa on a situation that is beyond their control. As an assertive international power, they have much to learn.

THE NEW YORK TIMES.

## On Trial in Prague

While 35 nations confer in Belgrade about how well the Helsinki accords on human rights are being observed, four Czech intellectuals have been convicted in Prague for activities "against the foundation of the republic." One of them pleaded guilty to maintaining "conspiratorial links" with the West—which apparently means smuggling out contributions to émigré publications, in violation of official cultural policy; he was sentenced to three and a half years. The other three, including Vaclav Havel, a leading Czech playwright, pleaded not guilty; one was sentenced to three years, while Mr. Havel and the third received suspended sentences. Early this year, these three had

signed Charter 77, an internationally publicized manifesto calling for more civil liberties in Czechoslovakia. Soon after, they were jailed. Other signers have been dismissed from their jobs, evicted from their homes, deprived of their passports and drivers' licenses, and subjected to long and repeated questioning by the authorities. Some have reportedly been rounded up anew. Western delegates at the Belgrade meeting criticized the trial, but without naming Czechoslovakia. That, we suppose, is diplomacy. But surely in the court of human rights, governments like Czechoslovakia's are the defendants.

THE NEW YORK TIMES.

## International Opinion

### Anything Possible

That top-security (Baader-Meinhof) prisoners should be able to lay their hands on guns and a knife is astonishing. That these dangerous inmates who were supposed to be held incommunicado were able to learn of the failure of the hijacking and then to coordinate their suicides is extraordinary. Yet it is certainly not unbelievable. For this gang was supposed, while it was on the rampage, to have made a haul through robberies of about \$1 1/2 million. Resources like that should make many things possible.

—From the Daily Mail (London).

### Rhodesian Realities

One of the reasons why last year's Geneva conference on Rhodesia failed was the impossibility of finding black leaders who were really capable of speaking for the majority. Now, with a connecting link between the Owen/Young proposals and a feasible plan still not found, it would seem a matter of urgency to find a group of black leaders who might ensure that a solution on Kenyan rather than on Angolan lines could be put into practice. But given the facts as they stand, this is rather like trying to square the circle.

—From the Neue Zürcher Zeitung (Zurich).

## In the International Edition

### Seventy-Five Years Ago

October 21, 1902

WASHINGTON—The Princeton University football team defeated Navy, 11 to 0, on Saturday. The game day West Point beat Dickinson by 11 to 0, showing them to be stronger than the leadership. And in the Naval League championship series, the team from the battleship Alabama beat a team from the Marine Barracks of Brooklyn, also by 11 to 0. The similarity of all three scores is considered remarkable.

### Fifty Years Ago

October 21, 1927

NEW YORK—"When all is said and done, the interests of the people of this great city are merely the football of constructive politicians. In view of the lack of constructive accomplishment during the last two years, we can mark Tammany 100% on promises and practically zero on fulfillment," said Mrs. Ruth Pratt, Republican Alderman from the 15th District, criticizing the administration of Mayor Walker.



## Southern Africa: A Game of 'Blind Skittles'

By Jonathan Power

LONDON—Western diplomacy in southern Africa is rather like the party game "blind skittles." A row of skittles is set up and each player rolls the ball with his eyes closed. "Players are allowed to 'light' the skittles with their eyes open," says the Pan Book of Party Games, "but they must be closed immediately prior to the roll being made."

In Rhodesia, much to the surprise of onlookers, the Smith skittle looks as if it's about to topple. Even so, the question is begged: Has the ball been thrown too hard and do the Anglo-American team members know quite what they are aiming at? Was it sensible for David Owen, the British foreign secretary, to announce publicly that the future Zimbabwe Army should be constructed primarily out of guerrilla troops? Again, does Mr. Owen know what he is doing when he tries to manipulate the game so that it is only the Joshua Nkomo co-leader of the Patriotic Front skittle that is left standing?

It is when we come to South Africa that the skittling appears as if it is being played not only with blindfolds but on the moon without normal gravity. The balls have a nasty habit of rolling back to the throwers. Will the intensive pressure now being put on South Africa by the West (John Vorster calls it "strangulation with finesse") push the regime forward on the course to majority rule or will it frighten the whites so that they retreat into the laager, the South African equivalent of circling the wagons?

### Commitment

That the chief Western policy makers are rolling their balls with their eyes shut is more or less frankly admitted. Zbigniew Brzezinski, President Carter's national security adviser, told me last month that "I have an acute awareness of the limit of my information and good judgment." Yet in the same breath he rolled another ball. He gave the most forceful and ringing commitment to one man, one vote in South Africa we have heard since Vice-President Mondale confronted Mr. Vorster in Vienna in May—a position the State Department has been trying to blur ever since.

Andrew Young, whose success as America's chief southern African troubleshooter is leading to high-level White House discussion about him being the first secretary of state, admitted frankly that he works by instinct, rather than through some master intellectual plan.

George Ball has surfaced many of the criticisms of the consequences of this instinctive, blind skittles approach to South Africa in the September issue of Atlantic. "South Africa is not the American South of the 1960s or even of the 1980s," he writes. "Even the most rabid Northern abolitionists did not threaten white Southerners with the total transfer of political control to the blacks." Ball believes that outside pressure will force South African whites to pull into the laager. Moreover, Western pressure will only encourage the pace of African violence.

### Carte Blanche

Personally, I come down against Ball on the side of the skittles players. No one, of course, knows for certain which way the South Africans are going to jump, if unremitting pressure is put on them by the West. To that extent we are playing "blind." But what is clear is that white South Africa, if left to itself, will topple anyway—more horribly and more gruesomely than if it gives way now. The forces of discontent, both within and around it, are so obviously now on the advance. Their friends in the Communist world and the Third World have a carte blanche to help in every way and there's nothing the West can do to dissuade them.

The only question is can the West, by joining the forces of revolution, use its influence to mitigate the carnage that radical change inevitably produces? Enter the experience of the American civil rights movement. The Southern states moved in a

decade from a situation of racial oppression very similar to South Africa today, to one whose black emancipation, if not complete, has moved at an extraordinarily rapid pace.

The civil rights movement taught America, particularly the South, a number of things. First, that political progress for blacks and economic progress for whites are not mutually exclusive goals.

If South Africa would change, then as Andrew Young told the businessmen of Johannesburg in May, the whole backyard of black Africa is there as a budding business partner.

Second, that if change is accommodated to in the days of

nonviolent pressure, the chance of being able to build democratic institutions that all sides respect is heightened. But if change is resisted—as it was in the Northern states—violence takes over. The situation rapidly polarizes and political solutions become more difficult. For the South Africans, a violent solution could mean, in the end, a black Marxist dictatorship.

Third, that life does not go to pieces if blacks are a majority. Young and Carter have both spent a large part of their lives in Atlanta, now a black-run, well-run city.

Of course, Atlanta is a black island in a predominantly white

sea. The American South is not South Africa. But no doubt if white South Africa began to move voluntarily toward majority rule, helping hands would ease the way. Perhaps it could be integrated into a larger Western unit—a member of the European Economic Community? A far-fetched idea, but one that should be explored for it is the only political grouping of states where human rights and economic well-being are linked by statute.

The balls are being rolled in the dark—that is the nature of South Africa—a nation unique in world history. But the instincts of Carter and Young are broadly right. Play on.

## The Afrikaners and Coexistence

By Anthony Lewis

NEW YORK—The minister of justice, James Kruger, gave the South African government's official explanation for the sweeping arrests and bans that Wednesday silenced some of the country's main critical voices. Among other things, he said:

The government is determined to ensure that the peaceful coexistence of peoples in South Africa is not disturbed by a small group of anarchists.

That one sentence is a measure of the gulf that separates those who hold power in South Africa from most of mankind—a gulf in understanding and humanity. It is a measure, too, of the shattering effect the sudden and massive new repression will have on those who hoped against hope that there could be peaceful change in South Africa.

Peaceful coexistence, as the ruling Nationalists define it, means a situation in which the white 17 per cent of the population has all of the power, 87 per cent of the land and most of the money—and the black majority cannot hold a job or choose where to live except under rigid conditions set by the whites. For blacks it is the peace of the grave, for whites the unstable peace of oppression.

A small group of anarchists, in the South African government's definition, means anyone who speaks out effectively for the simplest yearnings of black people—a chance to be educated, to own a home, to live with one's family. The definition includes the leaders of all the representative black organizations, even the most conservative.

### Two Targets

I happen to know two of the government's targets, and it is necessary to say a word about them. Percy Qobusa, the editor of the leading newspaper for Africans, the World, is a thoughtful, incredibly brave newspaperman who happens also to be a deeply faithful Roman Catholic. He was detained without charges and his newspaper closed. Donald Woods, editor of the East London Dispatch, has shown similar courage in writing as a white man without regard to race. He was banned; silenced.

Why should the South African government have taken such brutal action against editors and priests and others who elsewhere would be considered forces for reason and moderation? How could it, knowing as it must that the world would react with outrage? That is what we on the outside must try to understand. The Afrikaners who run the country have survived a difficult history and they think of themselves as beleaguered. Their instinctive answer to perceived threats has been an unyielding posture: stubborn, strong, uncompromising.

The possibility of peaceful change in South Africa has depended on the willingness of the ruling Afrikaners at least to talk to the other side. That is what the Carter administration has been urging: the beginning of a dialogue.

But the stirrings of the last two years—the black demands for a few rights, the Soweto riots—have evidently made any flexibility seem dangerous to Prime

Minister Vorster and his colleagues. Feeling cornered, they have struck out in the one way they really know. And in that mood they are ready to write off outside opinion.

Beyond that general framework, there must be particular reasons for the timing and character of the new repression. I think they lie in the case of Steven Biko, the young black leader who died in police custody last month.

### Doctors' Report

A thorough autopsy has been held to determine the cause of Biko's death. The results have not been published, but the doctors are unofficially reported to have found that he died from massive blows to the head. If and when the doctors say so formally, and in detail, the reaction could be profound.

The arrests and the banning seem calculated to control that potential reaction. The World has been calling forcefully for the truth about Biko's death, and its closing will deprive 1 million black readers of its views on the autopsy.

### Jealous English

Bob Hughes, an English sports-writer, certainly shows where his prejudices lie in his article, "The Soccer Scene" (JET, Oct. 12).

Scotland has proved itself to be the most exciting and successful team in the U.K. today, and it is with much chagrin that the English see the Scots qualifying for the World Cup for the second time in four years, while the English have correspondingly faded. Granted, the superiority displayed over the Czechs, which was regarded in most quarters as due to skill, and not purely physical contact, was not as prevalent against Wales, but nonetheless carried the Scots to victory.

Scotland beat Wales, not through fighting them in the midfield as Mr. Hughes predicted, nor by blocking "them out of the competition" as he ruefully observed was done to the Czechs (indeed, as European champions, one would not think that they could have been bullied as easily as Mr. Hughes implied), but rather through using greater skill and determination. These factors, backed by the most passionate and dedicated support that any team could wish, have carried Scotland to Argentina.

Sour grapes to the jealous English. It is rather childish for them to display their prejudices in an international paper, which ought not to be a willing partner in such biased journalism.

JOHN L. DEFFENBAUGH, Scotland.

### Bakke Injustice

As an English doctor, I would like to ask what it is that the Bakke case, now being heard in the United States Supreme Court, is supposed to be solving? I find it hard to believe, as a professional person, that any American medical school and its committee on admissions believes that any person at all is to be helped by lowering medical admission standards to suit those

who are not fully prepared to do college work. To do so, even in the name of some minority, is surely to perpetrate an injustice. It would seem to me that this case is not a judicial problem at all. It is a problem for your American professional schools, which tend to be terribly conservative and stuffy, and rather unwilling to change older teaching methods. In England we are able to prepare physicians for medical qualifications in half the time it takes American medical schools, and I doubt very much if our teaching methods and examinations are not equal to American medical schools.

One would think that if the American government is truly concerned about its own minorities, and the educational problems such minorities present, that the government would fund special schools which would teach minority disadvantaged students. Surely there is a more sensible solution than to punish Mr. Bakke for not being a member of a minority group, and who, fortunately, was a competent student who, most likely, would be a competent doctor. It is too much to ask him to bear the burden of American educational mistakes.

Dr. A. R. BE London.

## Giscard Makes a Comeback

By Patricia H. Paint

PARIS—Ten months ago President Valéry Giscard d'Estaing set a new record. A only 27 months in office, popularity rating dropped to per cent, the lowest point reached by a French president since polling began in France.

Last month Mr. Giscard d'Estaing set another record. At that low point, his standing had been gradually moving up and last month hit 51 per cent. This 10 months of steady improvement, which passed almost unnoticed by most observers according to Jeanne Labrousse, director of IFOPE, the Py polling organization, a phenomenon without precedent in the history of French public-opinion testing. "Historically," says Labrousse, "the curve for a president's popularity rating has been a downward one the time they are in office."

Mr. Giscard d'Estaing's popularity rating with a rating of 44 per cent, 10 per cent below last rating registered by President Georges Pompidou in his death in 1974. His popularity rose to a high of 58 per cent mid-1974, then a gradual decline to the all-time low of 27 per cent. The latest IFOPE poll, published by France-Soyez, week, now show 51 per cent the French satisfied with Mr. Giscard d'Estaing's performance. Labrousse believes that this percentage could go even higher.

The reasons for the up-trend, which began well before the end of several. First, Mr. Giscard d'Estaing's showing last September and into the late spring of this year, the President was depicted out of step in the press and by class politics as an anachronistic figure. The reins of government seemed to have all in his hands. Politically, he is a series of blunders.

### Centrist Regime

But all during this period continued to insist that he was ready to be governed by the center.

He has retreated to the heart of his presidential office, to him the advantage of appearing above the melee. It has him, as President first and foremost, the representative of institutions of France, a usually soothing image by French, who attach great importance to their institutions. Cloaked in the presidential mantle, Mr. Giscard d'Estaing can play the role of a primarily involved with the concerns of the nation, benefits of such an image, being described by De Gaulle leader, he wrote in "The Edge of the Sword." It is inevitable that there can be no authority or prestige, nor prestige if he keeps his distance.

Chances are that Mr. Giscard d'Estaing will pursue his strategy and try to remain as "pragmatic" as possible. He will continue to receive worthy foreign (Charles de Gaulle, who died Paris last week, and President Carter, who will drop in next month. In between, he make pronouncements, use his recent ones on the aged the environment. He thus I to convince voters that the centrist has no monopoly oncern for social justice.

## Letters

### Jealous English

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### Bakke Injustice

As an English doctor, I would like to ask what it is that the Bakke case, now being heard in the United States Supreme Court, is supposed to be solving? I find it hard to believe, as a professional person, that any American medical school and its committee on admissions believes that any person at all is to be helped by lowering medical admission standards to suit those

who are not fully prepared to do college work. To do so, even in the name of some minority, is surely to perpetrate an injustice. It would seem to me that this case is not a judicial problem at all. It is a problem for your American professional schools, which tend to be terribly conservative and stuffy, and rather unwilling to change older teaching methods. In England we are able to prepare physicians for medical qualifications in half the time it takes American medical schools, and I doubt very much if our teaching methods and examinations are not equal to American medical schools.

One would think that if the American government is truly concerned about its own minorities, and the educational problems such minorities present, that the government would fund special schools which would teach minority disadvantaged students. Surely there is a more sensible solution than to punish Mr. Bakke for not being a member of a minority group, and who, fortunately, was a competent student who, most likely, would be a competent doctor. It is too much to ask him to bear the burden of American educational mistakes.

Dr. A. R. BE London.

### Brave President

Regarding President Carter's "open" declaration (Oct. 6) he would rather commit political suicide than do anything to danger Israel, perhaps he'd like to demonstrate another form of political bravery.

Daring to march up New Fifth Avenue on St. Patrick's Day.

JOHN FISTE Beirut.

### Euphemism

The phrase "affirmative action" is the most sinister officialism to come out of Washington since "strategic hamlet." It is that thousands of whites, at their superior merits, denied access to higher education, solely because they are white, at least sweeten the pill by putting it in inverted con will you?

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THEATRE

# Only One Ibsenite in 'Enemy' Cast

By Patricia Thomas Quinn Curtiss

Paris, Oct. 20 (IHT).—In a new production of Ibsen's "Enemy of the People" at the Théâtre de la Ville, the first half of the play unfolds at a funeral for the deceased, and the second half is a play within a play, as the director, Jean Desailly, explains.

Jean Desailly as Dr. Stockman and Simone Valère as his wife are best known as comedians. Miss Valère has a few fine moments and Desailly movingly conveys the doctor's acceptance of defeat in the last act. But in the first hostile encounter between the doctor and the mayor both Desailly and Gabriel Cattand over-act.

Regis Outin as Mrs. Stockman's rebellious father is the true Ibsenite of the company. Victor Hahn's adaptation is no improvement on Count Prozor's translations of the '90s.

long-lasting joke about their inter-relations. The tale is clever but only intermittently funny. A blue-ribbon cast has been gathered and makes most of it.

Jacqueline Doyen and Maurice Teyssie are the parents; André Dussollier as the dim-witted youth and Catherine Rich as his hypersensitive bride are the troublemakers; Amick Blanchette, a piquant pixy, and Jean-Luc Moreau impersonate a non-U pair; and Pierre Arditi is a man in bed with strained back and Axelle Abbeduto is the wife who encumbers him with aid.

Lars Schmidt has provided it with an A-1 production and Pierre Mondy in directing puts it through its paces as swiftly as possible, although it lingers over repetitious gags.

"Les Chants et Danses des Révolutions Russes" at the Pavillon de Paris (Porte de Pantin) is a large-scale pageant tracing Russian uprisings from the Cossack revolt led by Stepan Razin in the 17th century to



Jean Desailly and Simone Valère in "Enemy of the People."

the Bolshevik revolution of October, 1917. The history of three centuries is covered with a high sense of theatricality.

There are peasant dances and songs to concertinas and balalaikas, a gavotte at Catherine's court, and a fragment of "The Decembrists" opera. The direction by Iosif Tumanov employs motion pictures as occasional selections with strong effect.

Participating in the mammoth spectacle are members of the State Choir of Moscow, the Bolshoi ballet and opera, the Don Cossack choir, the Moscow Philharmonic and gypsy troupes. It is a vibrant show crowded with striking talents. It is recommended by far as the best musical in Paris.

## Art Dealer Pays Record \$440,000 For a Matisse

NEW YORK, Oct. 20 (AP).—A Swiss art dealer paid \$440,000 yesterday for Henri Matisse's "The Lute," the highest price ever paid for a painting by the French artist.

Other records were set as Mr. and Mrs. Sidney Brody of Los Angeles sold a part of their collection at Sotheby Parkes Bernet. The Mattress drew the highest price of the sale. The previous high for a painting by the master was \$350,000 for "Woman at a Window," sold in July, 1973.

Other paintings included \$200,000 paid for "Flowers on a Bank," by Gustave Courbet. The previous record for a Courbet was \$155,000, paid for "Girls on the Banks of the Seine," sold in 1964.

## SHARPS AND FLATS

PARIS—Two of Count Basie's top men are currently being featured in Paris: Tenor saxophonist Jimmy Forrest at the Club St. Germain and trombonist Al Grey at the Hotel Meridien's Bar Patio. Sam Woodyard is at the Caveau de la Huchette; Al and Stella Levitt at the Club Zed; Juliette Greco at the Théâtre de la Ville; Nana Mouskouri at the Olympia every night and Little Bob Story there on Oct. 23 at 4:30 p.m. Smoke Robinson is at La Main Blanche on Oct. 23 at 8 p.m. and Yiddish folk singer Ben Zimet at the Théâtre Le Palace until Oct. 29 at 8:30 p.m. every night.

LONDON—Stone Alliance and the Stan Getz quintet are appearing nightly at Ronnie Scott's. Keith Jarrett will be at the Theatre Royal Drury Lane Oct. 23 at 8 p.m. Supertramp, continuing its tour of Britain, will be in Coventry Oct. 21 at the Coventry Theatre; in Newcastle Oct. 24 at City Hall; in Edinburgh Oct. 25 at Usher Hall and in Glasgow Oct. 26 and 27 at the Apollo.


chester Oct. 22 at the Belle Vue; in Leicester Oct. 24 at De Montfort; in Coventry Oct. 25 at the Coventry Theatre; in Cardiff Oct. 26 at the Capitol and in Southampton Oct. 27 at the Gaumont.

MUNICH—Harry Belafonte, on tour, will be at the Kongressaal des Deutschen Museums Oct. 22 at 8 p.m. Peter Gabriel will be at the Olympiahalle the same night at 8 p.m. and Doctor Hook at the Circus-Krone-Bau Oct. 23, also at 8 p.m.

GENEVA—Slide Hampton and the Boilat-Therac quartet will be at the Popcorn Club from Oct. 24-26. Jimmie Woode, Fritz Powner, Tony Inzalaces, Myriam Klein and Tony Scott come in on Oct. 27 for four days.

AMSTERDAM—Barclay James Hartust will be at the Concertgebouw Oct. 24 at 8 p.m.

—FRANK VAN BRAKLE.



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## Diamonds Make Strange Bedfellows in Antwerp

By Jonathan Kandell

Antwerp, Belgium, Oct. 20 (IHT).—Diamonds may be a girl's best friend, but they also make strange bedfellows.

Antwerp, the world's largest diamond center, Arab deal with Jewish diamond dealers, Zambians and South Africans, and Jews do their best to uphold the status based on supply and demand.

The diamond business here is so stringent that no one is allowed to do so scrupulously. The deals are sealed with a signature—a handshake—do and woe to the business who breaks his word. But many of Antwerp's brokers make fortunes by simply selling to investors who believe who it shows the Belgian government tax collectors some proof of profits and losses.

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Although there are only 13,000 Jews among Antwerp's 230,000 inhabitants, they are able to support a Yiddish newspaper and vaudeville theater and four synagogues. Despite a recent influx of younger Israelis, the community is populated mostly by survivors of the Nazi occupation.

Antwerp has been buying, cutting and selling diamonds since the 16th century, but its emergence as a world center began with the arrival of Jewish jewelers from Russia and Poland during the 1890s.

Why they made Antwerp their base is still a subject of debate. According to one theory, Antwerp was the main port for Eastern European immigrants to America who disposed of their jewelry to buy ship passage.

"In my grandfather's time they used to say it was the natural light here that brought so many jewelers," said Ephraim Schmidt, a third-generation diamond broker and historian for Antwerp's Jewish community. "It was never too bright or too dark here—just right to see the diamonds shine."

At war's end, Antwerp's Jewish community of 52,000 had been decimated and dispersed. To encourage the revival of the diamond industry, Belgian government ministers traveled to New York and London to plead with the Antwerp Jewish refugees to return.

Old-Fashioned City

Some of the refugees said they were also drawn back by Antwerp's Old World ambience. The narrow cobbled streets leading from the ancient harbor seem more suitable for pedestrians than vehicles. The 15th-century Shipping Exchange, with its carved columns soaring to the glass and stone ceiling, is still in use. The cathedrals and monuments somehow survived the shelling and bombing of two world wars.

"It's an old-fashioned city," Mr. Schmidt said. "Everywhere else has changed so much."

Today, other centers have posed a challenge of sorts to Antwerp's former hold on the wholesale diamond trade. Because of cheap labor, Bombay has become strongest in the cutting and polishing of small diamonds that are less than one carat in weight. New York handles the cutting and polishing of the largest gems. Tel Aviv, now second to Antwerp in the wholesale business, handles diamonds of all sizes.

Antwerp specializes in the cutting and polishing of "difficult" diamonds—that is, triangular-shaped gems known as "males." The cutters are mostly non-Jewish Belgians from the Kempen, the rural districts outside the city. Carrying their gems wrapped in newspapers, the Kempen workers arrive on their bicycles at the diamond exchanges early in the morning.

The largest legal source of uncut diamonds for all of these centers is South Africa's DeBeers group, through its subsidiary, the Central Selling Organization.

Today the DeBeers group accounts for 85 per cent of the world's official trade in rough diamonds, sends millions of stones to its laboratories in London to be weighed and priced, and then places them with authorized dealers in Antwerp and elsewhere to be cut, polished and sold.

"We guarantee price stability for the market," said John d'Haene, the DeBeers representative in Antwerp.

## New Major Music Competition Will Stress American Works

WASHINGTON, Oct. 20 (WP).—The Kennedy Center and the Rockefeller Foundation announced yesterday the establishment of an International Competition for Excellence in the Performance of American Music.

The first competition, which will be for pianists, will be held in the center here during the week of Sept. 11, 1978.

The Rockefeller Foundation is funding the entire cost of the competitions which will be around \$200,000 the first year. Of this, \$30,000 will go for prizes, with a first prize of \$10,000, second prize of \$5,000, and third prize of \$3,000. Each of five semi-finalists who do not qualify for the finals will receive \$1,500.


The new contest, both in terms of artistic requirements and financial rewards, ranks with major American competitions such as the Leventritt in New York and the Cliburn in Fort Worth, Texas, as well as such leading European contests as the Queen Elizabeth in Brussels and the Tchaikovsky in Moscow.

Its principal difference, and its central purpose, is in the emphasis placed on the American repertoire. In each competition contestants will be required to perform recital programs of which more than half is American music written after 1900.

In order to make available the scores of this music, little of which is known outside the United States, and some of which has not been in print for years, the Rockefeller Foundation spent around \$23,000 to distribute 200 sets of some of the suggested works to music schools around the world.

The first contest is open to every pianist, regardless of sex, age or nationality. Ten thousand brochures, announcing the rules of the competition, in English, Russian, French, Spanish, and German, have been sent to more than 1900 conservatories and libraries throughout the world.

A competition for singers will be held in 1979. In 1980 the contest will probably be for small instrumental ensembles.



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# Flash... Paris Bourse

COMPANY	INDUS.	1977 HIGH-LOW	CLOS. PRICE Oct. 28	MON.-WED. HIGH-LOW	P/E	YIELD (%)	EARN. PER SHR., '76	SHRS. (000)	LATEST C
AQUITAINE .....	Petrol.	327 - 237	345.50	329.50 - 319	6	4.7	89.14 - 83.00 - 55.63c	14,774	1st semester '77 profit = \$46 MF
BOUYGUES .....	Construct.	396 - 275	384	390 - 378.80	13	5.5	38.73 - 25.99 - 30.34c	600	1977 consol. turnover (Fr.) to progress
BSN GERVAIS DANONE .....	Glass, food	532 - 367	474	478 - 465	24	5.3	38.38 - 34.29 - 30.13c	2,332	New converti. by 1st semester '77
CHARGEURS REUNIS ...	Shipping Air trans.	177 - 129	147.90	147.50 - 147	11	7.9	16.96 - 16.41 - 13.34	1,866	Subsidiary C.N. 75 MF
CHIMIQUE ROUTIERE ...	Public works	115 - 81.50	106.70	103.40 - 92.20	4	7.4	11.18 - 10.02 - 9.40c	1,672	Shareholders to SMAAC merger p.
CREDIT COMM. FRANÇ. ....	Bank	105 - 81.05	99.50	99 - 98	7	7.4	10.36 - 15.88 - 14.08c	5,379	New CCF branch at Gefrier Centre
CREDIT INDUST. COMM. ....	Bank	105 - 72.50	88.80	85 - 83	10	7.3	6.77 - 10.84 - 8.74	4,529	From July '76 former deposits
CREUSOT-LOIRE .....	Heavy ind	98 - 67.50	88.80	83.10 - 70.10	—	9.9	26.13 - 9.62 - 5.55c	3,084	1st semester '77 2,800 MF (+5.5%)
EURAFRANCE .....	Holding	190 - 124	179.50	180 - 175.20	3	6.1	— - 36.50 - —	2,193	1976 consolidated 89.2 MF for 1977
FERODO S.A.F. ....	Autom. Equip.	410 - 294	403	400 - 392.50	6	4.7	23.02 - 29.27 - 23.01c	1,545	Ferodo and C.N. industrial electron
GEN. OCCIDENTALE ...	Holding	192.50 - 165	188.70	185 - 180.50	7a	2.9	— - 26.94c - —	2,806	Dividend of Fr. (same as '75-76)
IMETAL .....	Mining	96.18 - 68.10	66.60	67.50 - 66.00	3	5.3	12.97 - 2.44 - 21.51c	7,944	Admits subsidiary as 11.6 MF
MOET-HENNESSY .....	Beverag.	451.50 - 268	426	429 - 408	24	1.9	17.04 - 3.71 - 12.87c	3,158	1977 net results of 1976 (23 MF, 7.96 in '76)
NORD (Compagnie du) ...	Holding	22.18 - 17.85	17.33	17.33 - 17.50	10	8.5	0.18 - 8.29 - 1.72	13,284	1976 net results of 1976 (23 MF)
PECHELBRONN .....	Hold. (fin.)	76.10 - 63	64.30	65 - 63.10	10	9.3	6.32 - 10.76 - 6.74	2,835	1976 net dividend (same as 1975)
PECHINEY-UG-KUHLM. ....	Chem. min	99 - 62.10	85	85.20 - 83	14	5.9	29.58 - 6.30 - 6.00c	2,441	Expect group '77 to increase
PSA PEUGEOT-CITROEN. ....	Holding	311 - 201	313	314.40 - 302	2	3.2	38.24 - 54.71 - 137.96c	9,544	'76 group - 34c MF (+25% vs. '75)
RAFFINAGE (Cie. Fr.) ...	Petrol.	89.50 - 63.80	67.20	66 - 65.30	—	8.9	— - 57 - —	5,450	For 1st. semester crude refined oil
REDOUTE .....	Mail order	625 - 504	566	561 - 555	12	2.2	35.87 - 45.57 - 47.86c	926	March-Aug. '77 1,014 MF (+17.2%)
RHONE-POULENC .....	Chemicals	83.78 - 53.80	54.90	56.68 - 55.25	9	10.9*	14.02 - 5.83 - 6.34	18,941	1st semester 12,530 MF
ROBECO .....	Investm. Corp.	384 - 166	349.50	353.50 - 351.20	—	7.1	(not relevant)	22,372	ROBECO's '76 '77 vs. '76 MF, up
SKIS ROSSIGNOL .....	Ski equip.	1918 - 1225	1,870	1875 - 1825	21	1.4	71.76 - 75.76 - 87.48	266	1st quarter '77 (taxes) = 89.54

(a) P/E calculated on '75 earnings; all others on '76. (b) Tax credit not included. C: Consolidated.

1014	7%	GCA	108	11	24	7%
7	514	GF Eqp	088		15	61%
35	22%	GeSk pf	1.60		1	20%
40%	32%	Gennett	1.20	15	168	36%
13	8%	GapSir	.24	6	18	9%
22%	14%	GardDn	.76	14	266	15%
				2	4	14%

[illegible]

7½	7¾ + ¼	25%	18½	Jostens	1	9	12	22½	22
6	6¾	49%	31%	JoyMay	1.50	9	165	32½	31 ½
d20½	20½ - 5	52	34	KLMair		4	2	46	46
36	36½ + ½	40%	25%	K mart	5.6	13	1217	29	28½
9¼	9¾	40%	29	KalsAJ	1.40	9	140	29%	29½
14¾	15¾ + 1	67	56	KalAJ pf 41.2		1	58	58	58
14¼	14½ - ¼	1½	9¼	KatCres	4.4	5	43	13½	13½

[illegible]

22%+	1/8	27%	25%	NFG pf	2.30	1	26%	26%
46%	1/4	18%	15%	NatHyp	1.05	8	197	16%
28%+	1/4	5%	23%	NatHom		29	26	7%
29%		9%	6	NatInd	.36	5	109	8%
58	1/4	13%	9%	NtInd pf	.60	1	12%	12%
19%	1/4	14%	12%	NtInd pf	1.25	2	13%	13%

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## Dollar Closed Mixed in Heavy Turnover

PARIS, Oct. 20 (AP-DJ).—The dollar finished mixed against major currencies today in trading following U.S. Secretary Michael Blumenthal's remarks yesterday about a strong and stable dollar.

The dollar's trading was mixed following yesterday's late session, the currency gained on profit-taking, supported by central bank actions, dealers said. Turnover was described as "very big." The dollar's rise yesterday was, one dealer said, the "general trend for the day."

## to Boost economy, May wide Tax Cut

PARIS, Oct. 20 (AP-DJ).—The U.S. Treasury Department is expected to announce next week a series of stimulative tax measures, the so-called "tax package," the Treasury said today.

The Treasury said that the package would include a 10 percent cut in the corporate tax rate, a 10 percent cut in the personal income tax rate, and a 10 percent cut in the capital gains tax rate.

The Treasury said that the package would also include a 10 percent cut in the estate tax rate, a 10 percent cut in the gift tax rate, and a 10 percent cut in the inheritance tax rate.

The Treasury said that the package would also include a 10 percent cut in the research and development credit, a 10 percent cut in the energy conservation credit, and a 10 percent cut in the small business credit.

The Treasury said that the package would also include a 10 percent cut in the child tax credit, a 10 percent cut in the dependent care credit, and a 10 percent cut in the education credit.

The Treasury said that the package would also include a 10 percent cut in the mortgage interest deduction, a 10 percent cut in the charitable deduction, and a 10 percent cut in the state and local tax deduction.

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## U.S. May Vote for Gold-Linked Contracts

By Clyde H. Farnsworth

WASHINGTON, Oct. 20 (NYT)—President Carter goes along, and it is expected that he will, Americans will soon be permitted for the first time since 1933 to write contracts in which payments are linked to the value of gold.

Though the Treasury does not agree some specialists in the gold market are convinced this move will bring a new respectability to the metal by making it into a hedge against future declines in the dollar's value from inflation.

Legislation, originally proposed by Sen. Jesse Helms, R-N.C., passed the House last week after clearing the Senate in identical form earlier this year.

The President will probably sign the bill because the Treasury had supported it, arguing that this was just another step toward removing the mystique of gold by treating it as any other commodity that people can buy and sell or use as they will.

The bill is depicted as a logical extension of the right to own gold, which Americans were permitted to do on Jan. 1, 1976, after years of heated debate.

A gold clause in future long-term business pacts, such as bond issues, lending agreements or rental contracts, would not have undesirable monetary effects, asserted a Treasury position paper.

There are others, however, who sense that the implications of this latest effort in the demystification of what the poet

Shelley called a living god will be much broader.

Charles Stahl, editor of Green's Commodity Market Comments, asserts that a gold standard has been restored to private contracts. Chicago commodity market analyst Conrad Leslie says the legislation represents a sleeping giant that has come to the front so rapidly no one can fully understand the implications.

Adds the bill's father, Sen. Helms: "In my mind use of gold clause contracts will be a clear warning that people are tired of irresponsible government monetary and fiscal policies. If gold clauses begin to be widely used, it will be time for government to restore integrity to the dollar."

An illustration of the way the gold clause would work occurs in one ship leasing contract already worked out by a charter company to become effective once the President signs the bill.

Should the dollar's value against gold fall by, say, 20 percent when the lease is renewed in three years, the dollar payments under the contract would increase by the 20 percent. The payments are assessed on the basis of the London market price for gold.

Fifteen years ago, the French government sold a bond, called the Rente Financière, after Finance Minister Antoine Pinay pegged to the price of gold. The interest rate was very low, but the gold price has risen so much in the intervening period that the government is losing a good deal

more than it raised. As a result only one French gold-pegged bond issue has been sold.

American utility lawyers suggest that their enterprises may now offer gold-backed bonds, which they think would be stable at several percentage points below current bond-rate levels.

Zurich bankers and other European analysts believe that widespread use of gold in private contracts will hasten the return of a monetary gold standard—especially if oil countries demand a gold clause in their contracts with industrial countries.

For months the oil countries have been discussing formulas for protecting their petrodollar earnings against inflation. They have been considering, for instance, demand payment in special drawing rights, a monetary unit that represents a basket of leading currencies.

But reports from Europe more recently have suggested that oil-producing states, following the latest depreciation of the dollar against some European currencies, are showing increasing interest in gold, even though there is no certainty gold will hold its value.

So long as there is a downside risk, American analysts believe there will be little inclination of oil countries to demand a gold clause. There is a possibility, however, that with their huge petrodollar earnings, the oil countries could decide to peg the gold market, creating a dramatic new monetary situation.

## Wall Street Prices Edge Higher in Stepped Up Trade

NEW YORK, Oct. 20 (NYT)—The stock market rode out early selling and posted a modest gain in fairly active trading today.

Analysts attributed the improvement to bargain-hunting in the absence of any specific external factors.

Trading began on a downbeat

on continued worries about the future strength of the economy.

Yesterday, the government said the economy grew by only 3.8 percent in real terms during the third quarter after a 6.2 percent rise during the second quarter.

Prices began improving around midsession and analysts said investors were expecting the Federal Reserve's money supply figure to show a decline following a sharp increase a week ago. This would take pressure off the Federal Reserve to tighten credit further, they said.

After the market close, the Fed said M-1, the basic measure, was unchanged and M-2, the broader aggregate, rose \$500 million.

The Dow Jones Industrial av-

erage was ahead 2.60 at 814.80, and some 725 issues declined against about 680 gainers.

Volume totaled 20.53 million shares, down from 22.03 million yesterday.

Chicorp, which recently reported lower third quarter earnings, topped the Big Board active, up 1/8 to 22 1/8. American Telephone, also active, rose 1/4 to 59-1/4. Yesterday, AT&T announced plans to sell 12 million common shares.

Inco was the most prominent loser among the 10 actives, falling 1 1/4 to 17 7/8. The Toronto-based company cut its dividend

and plans a major curtailment in its nickel production.

Franklin Mint dropped 1/8 to 8 1/4. The company reported sharply lower earnings and expects lower 1977 sales. Weyerhaeuser, which also posted lower profits, fell 5/8 to 26 1/4.

But Koehring advanced 1 1/8 to 23. The company said it has been approached by several firms about a merger possibility. Foster Wheeler rose 2 5/8 to 31 but the company said it knew of no reason for the stock's movement.

## W. German Auto Output

FRANKFURT, Oct. 20 (AP-DJ).—West German automobile production totaled 351,900 units in September, up 54 per cent from 227,376 in August and up 3.5 per cent from September 1976, the Automobile Industry Association reported. Auto production, including station wagons and light vans, totaled 339,701 units in September, 1976.

## Japan Wholesale Prices

TOKYO, Oct. 20 (AP-DJ).—Wholesale prices in the first 10 days of October fell 0.1 per cent from the prior 10-day period but were up 0.3 per cent from the year earlier period, the Bank of Japan reported.

## U.S. to Tighten Reporting Rules Of Banks Abroad

WASHINGTON, Oct. 20 (Reuters).—The federal bank regulatory agencies announced today proposed changes in bank reporting requirements, with the most significant changes involving foreign operations.

The agencies said the new information required under the proposed rules includes:

• Separate reporting of domestic and foreign office operations.

• New loan and deposit schedules for foreign offices.

• Breakdowns providing for identification of foreign and domestic customers with respect to certain types of accounts.

• Additional details on interest and fees on loans and federal funds and related transactions.

The regulations were distributed to banks by the Federal Reserve Board, the controller of the Currency and the Federal Deposit Insurance Corp. with letters inviting comment by Nov. 31.

The proposed effective date was for reports on first quarter, 1978.

The agencies said the changes would affect about 140 banks with one or more branches or subsidiaries abroad.

The changes would also affect another 280 banks with over \$300 million in total assets but no foreign offices.

## Investing Abroad By West Germany Rises 6 Per Cent

BONN, Oct. 20 (AP-DJ).—Foreign investment by West Germany rose 6 per cent in the first half to 49.6 billion marks from the year-earlier period, while investment by foreigners in Germany was up only 3 per cent to 47 billion marks in the same period, the Economics Ministry said today.

The highest proportion of investment went to the United States, with 13 per cent, or 6.1 billion marks, followed by 10 per cent to Belgium and Luxembourg, 9.8 per cent to France, 9.4 per cent to Switzerland and 7.4 per cent to Brazil.

The sectors most favored by German investors were the chemical, electrical, machine manufacturing and steel industries, the ministry said.

The United States was the biggest investor in Germany during the first half with investment totaling 18.5 billion marks, followed by Switzerland, the Netherlands and Britain. Foreign investment concentrated in the oil industry, machine manufacturing and electronics, the ministry said.

Investment in the United States rose 11.1 per cent to 11.1 billion marks, followed by 10.1 per cent to 10.1 billion marks to Belgium and Luxembourg, 9.8 per cent to France, 9.4 per cent to Switzerland and 7.4 per cent to Brazil.

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## Blumenthal Reassures Businessmen on Carter

By James L. Rowe Jr.

HOUSTON, Oct. 20 (WP).—Treasury Secretary Michael Blumenthal told businessmen yesterday that the rush of major policy initiatives from President Carter is over and that the administration will be "prudent" in formulating its economic policies over the next several months.

Mr. Blumenthal's address to the American Bankers' Association annual convention here appeared to be a major move by the administration to allay the deep uncertainty that has gripped the business community in recent years, resulting in, among other things, a low level of job-creating capital investment.

Mr. Blumenthal acknowledged the "troubling paradox" of "on the one hand, good economic recovery in 1977 and reasonably good prospects for 1978 and, on the other, the lowest level of business confidence in a long time."

He said the first step in rebuilding that confidence "is for the administration to spell out for you—in full detail—our economic plans for the next several years."

Those plans will become clear over the next few months when the administration presents its tax package to Congress and then details its 1979 budget proposals in late January. The fiscal 1979 budget will be the first prepared by the Carter administration, although the President made many changes in the 1978 budget before President Ford sent to Congress last January.

Six Principles

Mr. Blumenthal outlined to the bankers six principles "that I hope—and fully expect—will guide the administration in formulating its long-term economic strategy."

Those principles emphasize the importance of the private sector and the need to stimulate investment spending by business, and stress that government must provide a stable environment for business planning.

Mr. Blumenthal, who was chairman of Bendix Corp. before taking the Treasury job early this year, seems the most likely candidate to serve as the administration's chief emissary to the business community, a role vacated last month by Budget Director Bert Lance when he resigned in the middle of a con-

trovercy over practices he engaged in as head of two Georgia banks.

Mr. Blumenthal told the bankers that administration officials are aware of the large number of new proposals—including welfare reform, the energy package and a new social security financing program—the President has made, while necessary, has "aggravated uncertainty in the business sector... you should know that the pace will now begin to moderate."

"The bulk of our policy agenda is now before the Congress and the nation. It is now a matter chiefly for consolidation rather than innovation," he said.

Mr. Blumenthal attributed the low level of business confidence to the legacy of the economic turmoil of the early 1970s.

## European Firms Cited in Dumping By National Steel

PITTSBURGH, Oct. 20 (Reuters).—National Steel Corp. said it filed a complaint today with the Treasury against steelmakers of Belgium, France, West Germany, Italy, the Netherlands and Britain alleging dumping of "substantial quantities" of cold-rolled and galvanized steel sheets at "significant dumping margins."

The company said it is asking the Customs Service, under the Anti-Dumping Act of 1921 as amended in 1974, to initiate a full-scale anti-dumping investigation and withhold appraisement pending the outcome.

The company said it is asking that customs calculate dumping margins on both the "usual test" and "constructed value" approaches. In the usual test method, dumping margins are based on the difference between export price and home market price and in the constructed value method the difference between export price and the cost of production.

National said it seeks the imposition of dumping duties equal to the larger of the margins derived from the two approaches. The company said dumping margins run as high as 47 per cent on galvanized sheets and 43.5 per cent on cold-rolled sheets.



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